

Cost Center Manager Policy

Policy Owner
Vice President and Chief
Financial Officer/Treasurer

Policy Contact
Controller

Date Revised:

Related Policy
Fiscal Responsibility

Effective Date:
April 1, 2023

Policy Statement

One of Bentley's fundamental internal controls is the proper review and approval of financial transactions. Cost Center Managers (CCMs) are fiscally responsible for the transactions charged to their applicable cost center, as well as monitoring the status of their actual revenue and expenses compared to their overall budget. CCMs are responsible for the accuracy of the posting of revenue and expenses, as detailed in the Financial Data Model ([FDM](#)). They are required to follow the written policies and procedures of the university and exercise fiscal responsibility when spending university and external funds. ***If a transaction has multiple approvers, every approver is accountable for the elements of the transaction that they approve.***

A Cost Center Manager Task Force has been created within the Division of Administration and Finance to facilitate training and ongoing adherence to this policy.

Reason for Policy

Bentley has an obligation to safeguard its resources, adhere to donor and sponsor terms, and comply with all internal policies and external regulations.

Who Must Comply

This policy applies to all individuals assigned as a CCM, and/or their designee, who approve transactions for their assigned cost center (within their CCM level), and who:

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- Manage their assigned cost center budget, including budget amendments (transfers),
- Approve procurement requisitions and direct pay invoices,
- Manage purchasing card spend,
- Approve supplier invoice approvals / ad-hoc payments, and
- Approve travel & expense reimbursement.

Specifics

1. **Cost Center Manager Approval Levels.** The following are the levels adopted by the Vice President and Chief Financial Officer / Treasurer and the President's Cabinet for CCM's:
 - a. CCM1 – Approval authority up to \$25,000
 - b. CCM2 – Approval authority from \$25,000 to \$75,000
 - c. CCM3 – Approval authority from \$75,000 to \$150,000
 - d. CCM4 – Approval authority from \$150,000 and aboveApproving any part of a transaction is a significant responsibility; every individual in an approval chain is accountable for the elements of the transaction that they approve. Approvers must also be knowledgeable about applicable department and University policies and external requirements/regulations where relevant (i.e., federal guidelines for sponsored projects, etc.).
2. **Cost Center Manager Qualifications.** CCMs must be permanent Bentley employees (not contingent or temporary). Given the level of approval responsibility and financial knowledge required, CCMs cannot be Administrative Assistants or Senior Administrative Assistants. Executive Assistants may be assigned as a CCM1 but may not be assigned as a CCM2 or CCM3.
New assignments or transfers of CCMs must be approved by the Assistant Controller and the Director, Financial Planning & Budgeting.
3. **Spend Bentley resources prudently.** All CCMs who approve the expenditure of Bentley funds, either directly or via P-card or T-card, or indirectly, via personal funds to be reimbursed, have an obligation to review those transactions with sound business judgment. All expenditures should be necessary and reasonable, and requests for

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payment or reimbursement should include full documentation and be charged to the appropriate revenue or spend category within the appropriate cost center budget. Cost center managers must ensure that funds are not spent simply because they are available or may not be fully spent by the end of a fiscal year. CCMs must ensure that each purchase is Bentley business-related and advances the work of the University, is being spent within cost center budget or other approved funds and complies with Bentley policies and/or any sponsored or donor restrictions.

CCMs are able to transfer budget funds between accounts within their cost center, with some exceptions (ex. salaries, capital projects, etc.) to cover actual expenditures. If CCMs feel that funds in their budget are not sufficient to carry out the operations of their cost center, they must work with their Vice President who may have funds available in other cost centers within their division.

4. **Cost Center Manager (and their designees) Responsibilities.**

Individuals assigned as CCMs as part of their job description have the following responsibilities:

- a. Complete mandatory CCM training. New employees must complete training prior to obtaining access to the CCM functions in Workday.
- b. Review, understand and follow all Bentley University financial policies. Failure to follow financial policies may result in re-training and/or loss of CCM designation. Click [here](#) for the link to Bentley University financial policies.
- c. Review Workday transactions in a timely manner (e.g., five business days) to take appropriate action on transactions awaiting approval.
- d. Ensure all transactions awaiting approval are supported with appropriate documentation, charged to the correct cost centers

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and spend category and returned to the requester if further information is required.

- i. Knowledge of the transaction: ***CCMs must have sufficient knowledge to make an informed judgment that the transaction is appropriate.*** Ideally, a CCM will have direct knowledge about the transaction or circumstances to validate the expense; if not, they should rely on compensating procedures to gain a reasonable level of assurance that the expense valid.
 - ii. Due diligence: CCMs must perform due diligence if there are questions or concerns about the expenditure; if they have questions or concerns regarding the expense, it is their responsibility to seek help from an appropriate resource (i.e., supervisor, manager, director, University Controller, etc.) until the questions are resolved. While Financial Operations may audit samples of transactions, this audit is not a substitute for a CCM's due diligence.
 1. In the case of suspected fraud, waste, or abuse of university funds where the CCM is not comfortable discussing with the above resources, A report can be filed with the anonymous University Ethics Helpline found [here](#).
 - e. Ensure an authorized individual is delegated in Workday to be a temporary CCM prior to an absence from the job.
5. **Create evidence of the approval.** Approval in Workday is the evidence of the approval. Any unusual circumstances should be documented in Workday as it is the system of record. This includes attachments and written documentation within Workday (both internal and/or external notes). All available mechanisms in Workday should be used to substantiate the approval.

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Definitions

Approver

Any individual (faculty, staff, etc.) who is assigned as a CCM to certify that a transaction (or a particular element of a transaction) is correct and appropriate; these certifications may happen online in Workday or on paper.

Business-related

Not a personal expense. Some expenses, while ordinary and necessary for an employee's work, are considered personal, living or family expenses and thus cannot be paid or reimbursed as business expenses. Common examples are regular commuting expenses, repetitive meals and costs for professional attire. Payment of such personal expenses constitutes taxable income to the recipient. The IRS distinction between business and personal expenses can be complex. If you question whether an expense is personal or business in nature, please contact the Controller for clarification.

Compensating procedures

A series of analyses that can help an approver gain a reasonable level of assurance that an expense is valid. These analyses should include a periodic review of budget to actual expenditures, a review of activity in certain object codes, looking for unusual spending patterns, and asking questions about nonstandard expenses.

Financial Transactions

Financial transactions occur within numerous University functions including Accounting, Payroll, and Procurement. Examples of financial transactions include supplier payments, P-card and T-card transactions, ad hoc payments, journal entries, and any other expense that is posted to the cost center.

Preparer

An individual who assembles the information and backup needed for a transaction, keys it into the system and submits it for approval.

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Purchaser

An individual who spends University funds, both directly (through use of P-card or T-card) or indirectly (through personal funds to be reimbursed).

Reimbursee

An individual who spends personal funds on a University business expense that must be reimbursed.